

**TOWN OF COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2011**

TOWN OF COUSHATTA, LOUISIANA
DECEMBER 31, 2011
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TOWN OF COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2011

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397


AFFIDAVIT

Personally came and appeared before the undersigned authority, Rose Byrd, Mayor of the Town of Coushatta, Louisiana, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Town of Coushatta, Louisiana, at December 31, 2011 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

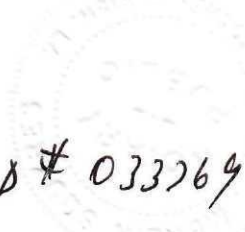


Mayor

Sworn to and subscribed before me, this 27th day of June, 2012.



NOTARY PUBLIC
E. Merlin Sguys ID # 033269



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INDEPENDENT AUDITORS' REPORT

Mayor and Town Council
Town of Coushatta
Coushatta, Louisiana 71019

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Coushatta, Louisiana, as of and for the year ended December 31, 2011, which collectively comprise the Town of Coushatta's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Coushatta's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Coushatta, Louisiana as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 27, 2012, on our consideration of the Town of Coushatta's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 9 and 37 through 39, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Coushatta's financial statements as a whole. The accompanying information identified in the table of contents as Other Supplementary Information is presented for the purposes of additional analysis and is not a required part of the financial statements. The Other Supplementary Information schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The financial information for the year ended December 31, 2010, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated June 24, 2011, on the basic financial statements of the Town of Coushatta.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

June 27, 2012

TOWN OF COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

The Management's Discussion and Analysis of the Town of Coushatta's financial performance presents a narrative overview and analysis of the Town of Coushatta's financial activities for the year ended December 31, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Town of Coushatta's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) The Town of Coushatta had cash and investments of \$2,141,132 at December 31, 2011 which represents an increase of \$211,469 from prior year end.
- 2) The Town of Coushatta had accounts receivable of \$380,038 at December 31, 2011 which represents a decrease of \$43,151 from prior year end.
- 3) The Town of Coushatta had accounts payable and accruals of \$42,733 at December 31, 2011 which represents a decrease of \$5,047 from prior year end.
- 4) The Town of Coushatta had total revenues of \$1,670,858 for the year ended December 31, 2011 which represents a decrease of \$48,332 from prior year.
- 5) The Town of Coushatta had total expenses of \$1,566,490 for the year ended December 31, 2011 which represents an increase of \$189,608 from prior year.
- 6) The Town of Coushatta had capital asset purchases of \$111,876 for the year ended December 31, 2011 which represents a decrease of \$86,909 from prior year.

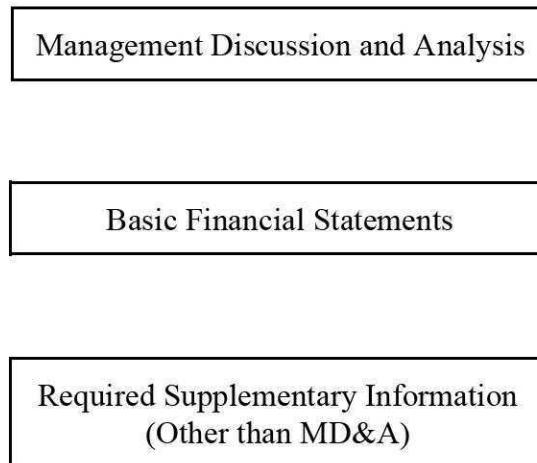
Business-Type Activities

- 1) The Town of Coushatta had cash and investments of \$630,488 for the year ended December 31, 2011 which represents an increase of \$46,147 from prior year.
- 2) The Town of Coushatta had accounts receivable of \$75,549 for the year ended December 31, 2011 which represents a decrease of \$7,336 from prior year.
- 3) The Town of Coushatta had accounts payable and accruals of \$63,047 for the year ended December 31, 2011 which represents an increase of \$3,200 from prior year.
- 4) The Town of Coushatta had total revenues of \$687,094 for the year ended December 31, 2011 which represents a decrease of \$53,661 from prior year.
- 5) The Town of Coushatta had total expenses of \$730,268 for the year ended December 31, 2011 which represents an increase of \$13,462 from prior year.
- 6) The Town of Coushatta had capital asset purchases of \$66,550 for the year ended December 31, 2011 which represents a decrease of \$169,418 from prior year.

TOWN OF COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Town of Coushatta as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 10 and 11) provide information about the activities of the Town of Coushatta as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting the Town as a Whole

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TOWN OF COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These two statements report the Town's Net assets and changes in them. You can think of the Town's net assets, the difference between assets and liabilities, as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we divide the Town into three kinds of activities:

Governmental Activities: Most of the Town's basic services are reported here including the police and general administration. Taxes, license and permits, fines and forfeitures, rents and commissions, interest income and state and federal grants finance most of these activities.

Business-Type Activities: The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water and sewer system and garbage collections are reported here.

Component Units: The Town includes one separate legal entity in its report, Industrial Development Corporation. Although legally separate, the component unit is important because the Town is financially accountable for it.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kind of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds: Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's activities as well as what remains for future spending.

Proprietary Funds: When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.

TOWN OF COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	Primary Government				Component Units	
	Governmental Activities		Business-Type Activities			
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 2,521,939	\$ 2,353,994	\$ 709,581	\$ 669,455	\$ 88,303	\$ 79,303
Capital assets, net	919,101	1,020,032	1,335,926	1,413,163	182,142	196,168
Total Assets	\$ 3,441,040	\$ 3,374,026	\$ 2,045,507	\$ 2,082,618	\$ 270,445	\$ 275,471
Other liabilities	\$ 42,733	\$ 47,780	\$ 126,716	\$ 123,233	\$ 0	\$ 0
Capital lease obligations	65,145	94,872	0	0	0	0
Total Liabilities	107,878	142,652	126,716	123,233	0	0
Net assets						
Investment in capital assets, net of related debt	853,956	925,160	1,335,926	1,413,163	182,142	196,168
Unrestricted	2,479,206	2,306,214	582,865	546,222	88,303	79,303
Total Net Assets	3,333,162	3,231,374	1,918,791	1,959,385	270,445	275,471
Total Liabilities and Net Assets	\$ 3,441,040	\$ 3,374,026	\$ 2,045,507	\$ 2,082,618	\$ 270,445	\$ 275,471

Net assets of the Town of Coushatta increased by \$101,788 or 3.15%, decreased by \$40,594 or 2.07%, and decreased by \$5,026 or 1.82% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2011 (See table below).

Statement of Activities
For the Year Ended

	Primary Government				Component Units	
	Governmental Activities		Business-Type Activities			
	2011	2010	2011	2010	2011	2010
General government Expenses	\$ (1,566,490)	\$ (1,376,882)	\$ (730,268)	\$ (716,806)	\$ (14,026)	\$ (14,026)
Program revenues						
Charges for services	0	0	610,293	585,456	0	0
Operating grants and contribution	0	0	0	0	0	0
Capital grants and contributions	0	0	73,023	149,727	0	0
Subtotal	(1,566,490)	(1,376,882)	(46,952)	18,377	(14,026)	(14,026)
General revenues	1,670,858	1,719,190	3,778	5,572	0	0
Transfers	(2,580)	(61,300)	2,580	61,300	9,000	9,000
Change in net assets	\$ 101,788	\$ 281,008	\$ (40,594)	\$ 85,249	\$ (5,026)	\$ (5,026)

The Town of Coushatta's total revenues decreased by \$48,332 or 2.81%, decreased by \$53,661 or 7.24%, and no change from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. The total cost of all programs and services increased by \$189,608 or 13.77%, increased \$13,462 or 1.88%, and no change from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively.

TOWN OF COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the Town of Coushatta had \$919,101, \$1,335,926 and \$182,142, net of depreciation, in Governmental Activities, Business-Type Activities, and Component Units, respectively, invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deductions) of \$100,931 or 9.89%, a decrease of \$77,237 or 5.47% and a decrease of \$14,026 or 7.15% in Governmental Activities, Business-Type Activities, and Component Units, respectively, from the previous year.

Capital Assets at Year End (Net of Depreciation)						
Primary Government						
	Governmental Activities		Business-Type Activities		Component Units	
	2011	2010	2011	2010	2011	2010
Land	\$ 54,458	\$ 54,458	\$ 10,782	\$ 10,782	\$ 112,077	\$ 112,077
Construction in progress	7,118	2,118	25,023	30,452	0	0
Buildings and other improvements	157,051	171,267	0	0	70,065	84,091
Distribution system	0	0	1,267,811	1,327,525	0	0
Streets and parking lots	467,359	573,133	0	0	0	0
Automobiles	95,626	124,068	0	0	0	0
Equipment, furniture and fixtures	137,489	94,988	32,310	44,404	0	0
Total	<u>\$ 919,101</u>	<u>\$ 1,020,032</u>	<u>\$ 1,335,926</u>	<u>\$ 1,413,163</u>	<u>\$ 182,142</u>	<u>\$ 196,168</u>

The following is the addition and retirements for the Town of Coushatta as of December 31, 2011:

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
This year's major additions included:			
Construction in progress	\$ 5,000	\$ 25,023	\$ 0
Buildings and other improvements	5,253	0	0
Distribution system	0	41,527	0
Automobiles	9,200	0	0
Equipment, furniture and fixtures	92,423	0	0
Total	<u>\$ 111,876</u>	<u>\$ 66,550</u>	<u>\$ 0</u>

This years's major retirements included:

Automobiles	<u>\$ 47,600</u>	<u>\$ 0</u>	<u>\$ 0</u>
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TOWN OF COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

Debt

The Town of Coushatta had \$65,145, \$0 and \$0 in long-term liabilities payable for Governmental Activities, Business-Type Activities, and Component Units, respectively, outstanding at year end compared to \$94,872, \$0 and \$0 in Governmental Activities, Business-Type Activities, and Component Units, respectively, at the previous year end, a decrease of \$29,727 or 31.33% in Governmental Activities and no change in Business-Type Activities and Component Units as shown in the table below.

Outstanding Debt at Year End

	Primary Government				Component Units	
	Governmental Activities		Business-Type Activities			
	2011	2010	2011	2010	2011	2010
Capital lease obligations	\$ 65,145	\$ 94,872	\$ 0	\$ 0	\$ 0	\$ 0
Totals	\$ 65,145	\$ 94,872	\$ 0	\$ 0	\$ 0	\$ 0

New debt during the year included:

None.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$191 more than budgeted amounts due to taxes-sales being more than expected.

Actual expenditures were \$92,265 more than budgeted amounts due to public safety and capital outlay being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Coushatta's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) License and permits
- 3) Rents and commissions
- 4) Number of utility customers
- 5) Cost of operations

The Town of Coushatta does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE TOWN OF COUSHATTA'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Coushatta's finances and to show the Town of Coushatta's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Rose Byrd, Mayor of the Town of Coushatta, Post Office Box 531, Coushatta, Louisiana 71019.

TOWN OF COUSHATTA, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Current Assets				
Cash	\$ 1,942,097	\$ 135,053	\$ 2,077,150	\$ 87,553
Investments	199,035	495,435	694,470	0
Accounts receivable	380,038	75,549	455,587	750
Prepaid expenses	769	3,544	4,313	0
Total Current Assets	2,521,939	709,581	3,231,520	88,303
Noncurrent Assets				
Capital assets, net	919,101	1,335,926	2,255,027	182,142
Total Assets	<u>\$ 3,441,040</u>	<u>\$ 2,045,507</u>	<u>\$ 5,486,547</u>	<u>\$ 270,445</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Current portion of capital lease obligations	\$ 31,585	\$ 0	\$ 31,585	\$ 0
Accounts payable and accruals	42,733	63,047	105,780	0
Total Current Liabilities	74,318	63,047	137,365	0
Noncurrent Liabilities				
Customer deposits	0	63,669	63,669	0
Capital lease obligations, net of current portion	33,560	0	33,560	0
Total Liabilities	107,878	126,716	234,594	0
NET ASSETS				
Investment in capital assets, net of related debt	853,956	1,335,926	2,189,882	182,142
Unrestricted	2,479,206	582,865	3,062,071	88,303
Total Net Assets	3,333,162	1,918,791	5,251,953	270,445
Total Liabilities and Net Assets	<u>\$ 3,441,040</u>	<u>\$ 2,045,507</u>	<u>\$ 5,486,547</u>	<u>\$ 270,445</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Primary Government								
Governmental Activities								
General Government	\$ 703,823	\$ 0	\$ 0	\$ 0	\$ (703,823)	\$ 0	\$ (703,823)	\$ 0
Public safety	618,786	0	0	0	(618,786)	0	(618,786)	0
Highways and streets	5,846	0	0	0	(5,846)	0	(5,846)	0
Culture and recreation	19,298	0	0	0	(19,298)	0	(19,298)	0
Interest on long-term debt	5,930	0	0	0	(5,930)	0	(5,930)	0
Depreciation	212,807	0	0	0	(212,807)	0	(212,807)	0
Total Governmental Activities	1,566,490	0	0	0	(1,566,490)	0	(1,566,490)	0
Business-Type Activities								
Utility fund	730,268	610,293	0	73,023	0	(46,952)	(46,952)	0
Total Business-Type Activities	730,268	610,293	0	73,023	0	(46,952)	(46,952)	0
Total Primary Government	<u>\$ 2,296,758</u>	<u>\$ 610,293</u>	<u>\$ 0</u>	<u>\$ 73,023</u>	<u>(1,566,490)</u>	<u>(46,952)</u>	<u>(1,613,442)</u>	<u>0</u>
Component Unit								
Industrial Development Corporation	\$ 14,026	\$ 0	\$ 0	\$ 0	0	0	0	(14,026)
Total Component Unit	<u>\$ 14,026</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(14,026)</u>
General Revenues								
Taxes								
Ad Valorem					120,016	0	120,016	0
Franchise					130,671	0	130,671	0
Sales					860,269	0	860,269	0
Other					3,279	0	3,279	0
State revenue sharing					42	0	42	0
License and permits					170,177	0	170,177	0
Fines and forfeitures					4,294	0	4,294	0
Rents and commissions					330,362	0	330,362	9,000
Interest income					19,122	3,778	22,900	0
Miscellaneous					32,626	0	32,626	0
Transfers					(2,580)	2,580	0	0
Total General Revenues and Transfers					<u>1,668,278</u>	<u>6,358</u>	<u>1,674,636</u>	<u>9,000</u>
Change in Net Assets					101,788	(40,594)	61,194	(5,026)
Net Assets, Beginning of year					<u>3,231,374</u>	<u>1,959,385</u>	<u>5,190,759</u>	<u>275,471</u>
Net Assets, End of year					<u>\$ 3,333,162</u>	<u>\$ 1,918,791</u>	<u>\$ 5,251,953</u>	<u>\$ 270,445</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011 AND 2010

	2011					2010
	General Fund	Sales Tax	Economic Development	Other Governmental Funds	Total	Total
Assets						
Cash	\$ 1,281,334	\$ 161,516	\$ 401,007	\$ 98,240	\$ 1,942,097	\$ 1,731,571
Investments	10,000	92,194	0	96,841	199,035	198,092
Accounts receivable	75,619	88,907	204,729	10,783	380,038	423,189
Prepaid expenses	769	0	0	0	769	1,142
Total Assets	<u>\$ 1,367,722</u>	<u>\$ 342,617</u>	<u>\$ 605,736</u>	<u>\$ 205,864</u>	<u>\$ 2,521,939</u>	<u>\$ 2,353,994</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable and accruals	\$ 42,553	\$ 0	\$ 0	\$ 180	\$ 42,733	\$ 47,780
Total Liabilities	<u>42,553</u>	<u>0</u>	<u>0</u>	<u>180</u>	<u>42,733</u>	<u>47,780</u>
Fund Balances						
Nonspendable						
Prepaid expenses	769	0	0	0	769	1,142
Restricted						
Sales Tax	0	342,617	0	0	342,617	576,216
Economic Development	0	0	605,736	0	605,736	576,615
Recreation Tax	0	0	0	90,634	90,634	72,732
Street Tax	0	0	0	16,226	16,226	11,957
Fire Tax	0	0	0	98,824	98,824	92,095
Unassigned	1,324,400	0	0	0	1,324,400	975,457
Total Fund Balances	<u>1,325,169</u>	<u>342,617</u>	<u>605,736</u>	<u>205,684</u>	<u>2,479,206</u>	<u>2,306,214</u>
Total Liabilities and Fund Balances	<u>\$ 1,367,722</u>	<u>\$ 342,617</u>	<u>\$ 605,736</u>	<u>\$ 205,864</u>	<u>\$ 2,521,939</u>	<u>\$ 2,353,994</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Total Fund Balances for Governmental Funds (Exhibit C) \$ 2,479,206

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 54,458	
Construction in progress	7,118	
Buildings and other improvements, net of \$431,444 in accumulated depreciation.	157,051	
Streets and parking lots, net of \$667,105 in accumulated depreciation.	467,359	
Automobiles, net of \$142,963 in accumulated depreciation.	95,626	
Equipment, furniture, and fixtures net of \$218,492 in accumulated depreciation.	<u>\$ 137,489</u>	
Total Capital Assets		919,101

Long-term liabilities, including capital lease obligations, are not due and payable in the current period and therefore are not reported in governmental fund liabilities. Long-term liabilities are reported in the statement of net assets.

(65,145)

Total Net Assets of Governmental Activities (Exhibit A) \$ 3,333,162

TOWN OF COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011					2010
	General Fund	Sales Tax	Economic Development	Other Governmental Funds	Total	Total
Revenues						
Taxes						
Ad valorem	\$ 69,445	\$ 0	\$ 0	\$ 50,571	\$ 120,016	\$ 104,098
Franchise	130,671	0	0	0	130,671	128,413
Sales	0	860,269	0	0	860,269	927,696
Other	3,279	0	0	0	3,279	1,798
State revenue sharing	42	0	0	0	42	844
License and permits	170,177	0	0	0	170,177	174,349
Fines and forfeitures	4,294	0	0	0	4,294	6,543
Rents and commissions	330,362	0	0	0	330,362	337,781
Interest	4,662	620	12,834	1,006	19,122	24,355
Miscellaneous	14,549	0	16,287	1,790	32,626	13,313
Total Revenues	727,481	860,889	29,121	53,367	1,670,858	1,719,190
Expenditures						
General government	703,823	0	0	0	703,823	693,007
Public safety	614,726	0	0	4,060	618,786	433,157
Highways and streets	0	0	0	5,846	5,846	12,674
Culture and recreation	0	0	0	19,298	19,298	30,515
Debt service						
Principal retirement	29,727	0	0	0	29,727	35,657
Interest	5,930	0	0	0	5,930	0
Capital outlay	106,876	0	0	5,000	111,876	198,785
Total Expenditures	1,461,082	0	0	34,204	1,495,286	1,403,795
Excess/(Deficiency) Of Revenues Over Expenditures	(733,601)	860,889	29,121	19,163	175,572	315,395
Other Financing Sources/(Uses)						
Proceeds from issuing capital lease obligations	0	0	0	0	0	130,529
Transfers	1,082,171	(1,094,488)	0	9,737	(2,580)	(61,300)
Total Other Financing Sources/(Uses)	1,082,171	(1,094,488)	0	9,737	(2,580)	69,229
Net Change in Fund Balances	348,570	(233,599)	29,121	28,900	172,992	384,624
Fund Balances, Beginning of year	976,599	576,216	576,615	176,784	2,306,214	1,921,590
Fund Balances, End of year	\$ 1,325,169	\$ 342,617	\$ 605,736	\$ 205,684	\$ 2,479,206	\$ 2,306,214

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$	172,992
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The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$212,807) exceeds capital outlays (\$111,876) in the current period.		(100,931)
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Governmental funds report principal payments of a capital lease as expenditures. However, these amounts are not included in the statement of activities but reduces the liability in the statement of net assets.		29,727
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Change in Net Assets of Governmental Activities (Exhibit B)	\$	<u>101,788</u>
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TOWN OF COUSHATTA, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current Assets		
Cash	\$ 135,053	\$ 92,210
Investments	495,435	492,131
Accounts receivable	75,549	82,885
Prepaid expenses	<u>3,544</u>	<u>2,229</u>
Total Current Assets	709,581	669,455
Noncurrent Assets		
Capital assets, net	<u>1,335,926</u>	<u>1,413,163</u>
Total Assets	<u>\$ 2,045,507</u>	<u>\$ 2,082,618</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ 63,047	\$ 59,847
Total Current Liabilities	63,047	59,847
Noncurrent Liabilities		
Customer deposits	<u>63,669</u>	<u>63,386</u>
Total Liabilities	126,716	123,233
Net Assets		
Investments in capital assets, net of related debt	1,335,926	1,413,163
Unrestricted	<u>582,865</u>	<u>546,222</u>
Total Net Assets	<u>1,918,791</u>	<u>1,959,385</u>
Total Liabilities and Net Assets	<u>\$ 2,045,507</u>	<u>\$ 2,082,618</u>

TOWN OF COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Charges for services	\$ 599,732	\$ 568,620
Connect fees	8,594	14,654
Miscellaneous	<u>1,967</u>	<u>2,182</u>
Total Operating Revenues	610,293	585,456
OPERATING EXPENSES		
Bad debt expense	7,116	10,924
Depreciation	143,787	140,848
Dues and subscriptions	3,308	1,434
Employee benefits	35,601	31,170
Fuel	16,682	11,660
Insurance	15,483	15,310
Legal and professional	12,148	154
Licenses and permits	1,735	3,393
Office supplies and expense	12,152	10,126
Operating supplies and tools	28,998	46,250
Payroll taxes	2,884	2,167
Rent	1,614	1,884
Repairs and maintenance	143,770	180,261
Retirement	15,203	9,577
Salaries	114,529	82,234
Telephone	5,764	8,311
Training	1,403	1,685
Utilities	52,509	50,661
Waste management	108,661	100,051
Workman's compensation	<u>6,921</u>	<u>8,706</u>
Total Operating Expenses	730,268	716,806
Operating Income/(Loss)	(119,975)	(131,350)
Nonoperating Revenues/(Expenses)		
Interest income	<u>3,778</u>	<u>5,572</u>
Total Nonoperating Revenues/(Expenses)	3,778	5,572
Income/(Loss) before Capital Contributions and Transfers	(116,197)	(125,778)
Capital contributions	73,023	149,727
Transfers	<u>2,580</u>	<u>61,300</u>
Change in Net Assets	(40,594)	85,249
Net Assets, Beginning of year	<u>1,959,385</u>	<u>1,874,136</u>
Net Assets, End of year	<u>\$ 1,918,791</u>	<u>\$ 1,959,385</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 621,589	\$ 573,487
Cash payments to suppliers for goods and services	(441,348)	(436,317)
Cash payments to employees and related benefits	(131,307)	(125,869)
Net Cash From Operating Activities	48,934	11,301
Cash Flows From Noncapital Financial Activities		
Transfers	2,580	61,300
Net Cash From Noncapital Financial Activities	2,580	61,300
Cash Flows From Capital and Related Financing Activities		
Capital contributions	59,304	122,755
Acquisition/construction of capital assets	(71,279)	(210,916)
Net Cash From Capital and Related Financing Activities	(11,975)	(88,141)
Cash Flows From Investing Activities		
Purchase of investments	(474)	(5,608)
Interest income	3,778	6,492
Cash Flows From Investing Activities	3,304	884
Net Increase/(Decrease) in Cash	42,843	(14,656)
Cash, Beginning of year	92,210	106,866
Cash, End of year	<u>\$ 135,053</u>	<u>\$ 92,210</u>
Reconciliation of Operating Income to Net Cash From Operating Activities		
Operating income/(loss)	\$ (119,975)	\$ (131,350)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation expense	143,787	140,848
Bad debt expense	7,116	10,294
(Increase)/decrease in operating assets		
Accounts receivable	11,109	(15,899)
Prepaid	(1,315)	762
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	7,929	2,086
Customer deposits	283	3,930
Net Cash Flows From Operating Activities	<u>\$ 48,934</u>	<u>\$ 11,301</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
STATEMENT OF NET ASSETS
COMPONENT UNITS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current Assets		
Cash	\$ 87,553	\$ 78,553
Accounts receivable	<u>750</u>	<u>750</u>
Total Current Assets	88,303	79,303
Noncurrent Assets		
Capital assets, net	<u>182,142</u>	<u>196,168</u>
Total Assets	<u>\$ 270,445</u>	<u>\$ 275,471</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ <u>0</u>	\$ <u>0</u>
Total Liabilities	0	0
Net Assets		
Investments in capital assets, net of related debt	182,142	196,168
Unrestricted	<u>88,303</u>	<u>79,303</u>
Total Net Assets	<u>270,445</u>	<u>275,471</u>
Total Liabilities and Net Assets	<u>\$ 270,445</u>	<u>\$ 275,471</u>

TOWN OF COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Rents and commissions	\$ 9,000	\$ 9,000
Miscellaneous	<u>0</u>	<u>0</u>
Total Operating Revenues	9,000	9,000
OPERATING EXPENSES		
Depreciation	<u>14,026</u>	<u>14,026</u>
Total Operating Expenses	<u>14,026</u>	<u>14,026</u>
Operating Income/(Loss)	(5,026)	(5,026)
Nonoperating Revenues/(Expenses)		
Interest income	<u>0</u>	<u>0</u>
Total Nonoperating Revenues/(Expenses)	<u>0</u>	<u>0</u>
Change in Net Assets	(5,026)	(5,026)
Net Assets, Beginning of year	<u>275,471</u>	<u>280,497</u>
Net Assets, End of year	<u>\$ 270,445</u>	<u>\$ 275,471</u>

TOWN OF COUSHATTA, LOUISIANA
STATEMENT OF CASH FLOWS
COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities		
Cash receipts from clients	\$ 9,000	\$ 8,250
Cash payments to suppliers for goods and services	<u>0</u>	<u>0</u>
Net Cash From Operating Activities	9,000	8,250
Cash Flows From Investing Activities		
Interest income	<u>0</u>	<u>0</u>
Cash Flows From Investing Activities	0	0
Net Increase in Cash	9,000	8,250
Cash, Beginning of year	<u>78,553</u>	<u>70,303</u>
Cash, End of year	<u><u>\$ 87,553</u></u>	<u><u>\$ 78,553</u></u>
Reconciliation of Operating Income to Net Cash From Operating Activities		
Operating income/(loss)	\$ (5,026)	\$ (5,026)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation expense	14,026	14,026
(Increase)/decrease in operating assets		
Accounts receivable	<u>0</u>	<u>(750)</u>
Net Cash Flows From Operating Activities	<u><u>\$ 9,000</u></u>	<u><u>\$ 8,250</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash	\$ 0	\$ 0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities		
Due to other governments	\$ 0	\$ 0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

The Town of Coushatta was incorporated on April 22, 1872, under the provisions of a special home rule charter. The Town operates under a Mayor-Council form of government. The Town's major operations include public safety, fire protection, streets, sanitation, recreation and parks, utilities, and general administrative services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the Town of Coushatta have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town of Coushatta is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town of Coushatta may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Town of Coushatta has one component unit (the Industrial Development Corporation of Coushatta) which is discretely presented in a separate column in the government-wide financial statements in conformity with accounting principles generally accepted in the United States of America.

C. Government - Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets, Exhibit A, and the Statement of Activities, Exhibit B) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and b) grants and contributions that are restricted to meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

The Town of Coushatta reports the following governmental, proprietary and fiduciary funds:

Governmental Funds

Governmental funds account for all or most of the Town of Coushatta's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

General Fund - is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specific purposes. The Town's special revenue funds consist of the sales tax, street tax, fire tax, recreation tax and economic development funds.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The Town of Coushatta applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund - is used to account for operations a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

These funds account for assets held by the Town as a trustee or agent for individuals, private organizations, other units of governments, and/or other funds.

Agency Fund - is used to account for the collection of property taxes and the subsequent distribution to other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Town of Coushatta prepares and adopts a budget each year for its general and special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Town amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

G. Investments

Investments are limited by R.S. 33:2955 and the Town's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

I. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2011, \$0 and \$18,040 of Governmental and Business-Type Activities receivables, respectively, were considered to be uncollectible.

J. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Town of Coushatta are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, 10 to 25 years for the distribution system and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

K. Compensated Absences

All full time employees of the Town of Coushatta earn 80 and 96 hours of annual and sick leave, respectively, each year. However, leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Restricted Net Assets

In the government-wide statements, equity is classified as net assets and displayed in three components:

1. Investment in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets.
2. Restricted net assets - consists of net assets with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - all other net assets.

M. Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation.
3. Committed - amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (Town Council). These amounts can not be used for any other purposes unless the government takes the same highest level action to remove or change the constraint.
4. Assigned - amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Town Council or its management to which the Town Council has delegated the authority to assign amounts for specific purposes.
5. Unassigned - all other spendable amounts.

The Town Council establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

The Town of Coushatta typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund balance classifications could be used.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

O. Sales Taxes

The Town of Coushatta collections a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and fire department stations and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department and garbage collection and disposal facilities including the purchase of equipment there of, or for any one or more of said purposes, title to which improvements shall be in the public.

P. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 LEVIED TAXES

The Town of Coushatta levies taxes on real and business personal property located within its boundaries. The Red River Parish Tax Assessor assesses the property values and prepares the Town's property tax roll. The Town bills and collects its own property taxes. Ad valorem taxes are levied on October 31 and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year. The following is a summary of authorized and levied ad valorem taxes as of December 31, 2011:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General alimony	7.21	7.21	Statutory
Recreation Tax	3.15	3.15	2017
Street Tax	1.05	1.05	2017
Fire Tax	1.05	1.05	2017

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Town of Coushatta may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions (Continued)

accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2011, the Town of Coushatta had bank deposits per balance sheet of \$2,858,373, as follows:

Demand deposits	\$ 748,696
Interest-bearing demand deposits	1,415,207
Certificates of Deposit, maturities greater than 90 days	<u>694,470</u>
Total	<u>\$ 2,858,373</u>

The deposits at December 31, 2011 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	<u>0</u>	<u>0</u>	<u>0</u>
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 2,196,390</u>	<u>\$ 694,470</u>	<u>\$ 2,890,860</u>

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
American Bank & Trust Co	\$ 509,440
Bank of Coushatta	1,432,770
Sabine State Bank	<u>948,650</u>
Total	<u>\$ 2,890,860</u>

B. Investments

At December 31, 2011, the Town of Coushatta had investments of \$0.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2011:

	Governmental Activities	Business-Type Activities	Total	Component Unit
Taxes				
Ad valorem	\$ 25,530	\$ 0	\$ 25,530	\$ 0
Franchise	29,327	0	29,327	0
Sales	88,900	0	88,900	0
Intergovernmental	0	40,671	40,671	0
Notes receivable	204,729	0	204,729	0
Rents and commissions	26,545	0	26,545	750
Charges for services	0	34,827	34,827	0
Interest	7	0	7	0
Other	5,000	51	5,051	0
Total	<u>\$ 380,038</u>	<u>\$ 75,549</u>	<u>\$ 455,587</u>	<u>\$ 750</u>

NOTE 5 CAPITAL ASSETS

A summary of the Town of Coushatta's capital assets at December 31, 2011 follows:

	Balance December 31, 2010	Additions	Retirements	Balance December 31, 2011
Primary Government				
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 54,458	\$ 0	\$ 0	\$ 54,458
Construction in progress	2,118	5,000	0	7,118
Total Capital Assets, not being depreciated	56,576	5,000	0	61,576
Capital Assets, being depreciated				
Buildings and other improvements	583,242	5,253	0	588,495
Less accumulated depreciation	(411,975)	(19,469)	0	(431,444)
Total Buildings and Building Improvements	171,267	(14,216)	0	157,051
Streets and parking lots	1,134,464	0	0	1,134,464
Less accumulated depreciation	(561,331)	(105,774)	0	(667,105)
Total Streets and Parking Lots	573,133	(105,774)	0	467,359
Automobiles	276,989	9,200	(47,600)	238,589
Less accumulated depreciation	(152,921)	(37,642)	47,600	(142,963)
Total Automobiles	124,068	(28,442)	0	95,626
Equipment, furniture and fixtures	263,558	92,423	0	355,981
Less accumulated depreciation	(168,570)	(49,922)	0	(218,492)
Total Equipment, Furniture and Fixtures	94,988	42,501	0	137,489
Total Capital Assets, being depreciated	963,456	(105,931)	0	857,525
Governmental Activities				
Total Capital Assets, net	<u>\$ 1,020,032</u>	<u>\$ (100,931)</u>	<u>\$ 0</u>	<u>\$ 919,101</u>

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance December 31, 2010	Additions	Retirements	Balance December 31, 2011
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 10,782	\$ 0	\$ 0	\$ 10,782
Construction in progress	30,452	25,023	(30,452)	25,023
Total Capital Assets, not being depreciated	41,234	25,023	(30,452)	35,805
Capital Assets, being depreciated				
Building and building improvements	70,207	0	0	70,207
Less accumulated depreciation	(70,207)	0	0	(70,207)
Total Building and Building Improvements	0	0	0	0
Distribution system	3,033,633	71,979	0	3,105,612
Less accumulated depreciation	(1,706,108)	(131,693)	0	(1,837,801)
Total Distribution System	1,327,525	(59,714)	0	1,267,811
Automobile	43,069	0	0	43,069
Less accumulated depreciation	(43,069)	0	0	(43,069)
Total Automobiles	0	0	0	0
Equipment, furniture and fixtures	82,151	0	0	82,151
Less accumulated depreciation	(37,747)	(12,094)	0	(49,841)
Total Equipment, Furniture and Fixtures	44,404	(12,094)	0	32,310
Total Capital Assets, being depreciated	1,371,929	(71,808)	0	1,300,121
Business-Type Activities				
Total Capital Assets, net	<u>\$ 1,413,163</u>	<u>\$ (46,785)</u>	<u>\$ (30,452)</u>	<u>\$ 1,335,926</u>
Primary Government				
Total Capital Assets, net	<u>\$ 2,433,195</u>	<u>\$ (147,716)</u>	<u>\$ (30,452)</u>	<u>\$ 2,255,027</u>
Component Units				
Capital Assets, not being depreciated				
Land	\$ 112,077	\$ 0	\$ 0	\$ 112,077
Total Capital Assets, not being depreciated	112,077	0	0	112,077
Building and building improvements	280,525	0	0	280,525
Less accumulated depreciation	(196,434)	(14,026)	0	(210,460)
Total Building and Building Improvements	84,091	(14,026)	0	70,065
Total Capital Assets, being depreciated	84,091	(14,026)	0	70,065
Component Units				
Total Capital Assets, net	<u>\$ 196,168</u>	<u>\$ (14,026)</u>	<u>\$ 0</u>	<u>\$ 182,142</u>

No depreciation expense was charged directly to any governmental functions.

Depreciation expense for the year ended December 31, 2011 was \$370,620 (\$212,807 for governmental-type activities, \$143,787 for business-type activities and \$14,026 for component units).

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2011:

	Governmental Activities	Business-Type Activities	Total	Component Unit
Vendor	\$ 21,456	\$ 59,907	\$ 81,363	\$ 0
Salaries and related benefits	21,277	3,140	24,417	0
Other	0	0	0	0
Total	<u>\$ 42,733</u>	<u>\$ 63,047</u>	<u>\$ 105,780</u>	<u>\$ 0</u>

NOTE 7 INTERFUND TRANSFERS

Operating transfers for the year ended December 31, 2011, were as follows:

Fund	Transfers In	Transfers Out
General	\$ 1,082,171	\$ 0
Sales tax	0	1,094,488
Economic development	0	0
Other governmental funds	9,737	0
Utility fund	2,580	0
Total	<u>\$ 1,094,488</u>	<u>\$ 1,094,488</u>

NOTE 8 LEASES

During the year ended December 31, 2010, the Town of Coushatta entered into a lease agreement with Ford Motor Credit Company, for the acquisition of six police cars. The agreement provides for four yearly lease payments of \$35,657. The cost of the six automobiles, \$130,329, is included as assets and obligations in the financial statements.

The following is a schedule of future minimum lease payments and the present value of the net future minimum lease payments as of December 31, 2011.

Year Ending December 31	Total
2012	\$ 35,657
2013	<u>35,657</u>
Total minimum lease payments	71,314
Less amount representing interest	<u>(6,169)</u>
Present value of minimum lease payments	<u>\$ 65,145</u>

The Town of Coushatta was not obligated under any noncancellable operating leases at December 31, 2011.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 9 RETIREMENT COMMITMENTS

The Town participates in two cost-sharing multiple employer statewide retirement systems (PERS) for its employees. Each retirement system is administered and controlled by a separate board of trustees. Following is a brief description of each retirement system in which the Town participates:

A. Louisiana Municipal Employees' Retirement System

The Louisiana Municipal Employees' Retirement System was established by Act 356 of the 1954 Legislature to provide retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and elect to become members of the System.

Membership is mandatory as a condition of employment if the employee is on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system, and under age sixty (60) at the date of employment. Those individuals paid jointly by the participating employer and the parish are not eligible for membership in the System.

The System has two retirement plans available for its members; Plan "A" and Plan "B". Plan "A" combines the original plan and the supplemental plan for those members, participating in both plans, while Plan "B" is available for those members, participating in only the original plan. These plans have different contribution rates and provide different retirement benefits. All employees of the Town of Coushatta, Louisiana, who participate in this System are covered by Plan "A". Any member of Plan "A" can retire providing he meets one of the following criteria:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Under age 60 and five (5) years of creditable service and eligible for disability benefits.
5. Survivor's benefits require five (5) years creditable service at death of member.

Generally, the monthly retirement allowance for any member of Plan "A" shall consist of an amount equal to three percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Upon the death of any member of Plan "A" with five (5) or more years of creditable service, who is not eligible for retirement, benefits are provided for the surviving spouse and minor children as outlined in the statutes. The surviving spouse of an employee eligible for normal retirement at the time of death shall receive benefits for life.

A member of Plan "A" with five (5) years of creditable service is eligible for disability benefits. A disabled member receives a normal retirement allowance if eligible or, if age sixty, receives a benefit based on years of creditable service without regard to the minimum service requirement. If the member is under age sixty and is not eligible for a normal retirement allowance, he receives a disability benefit consisting of an amount equal to three percent of his final compensation multiplied by his years of creditable service projected to his earliest normal retirement age not to exceed sixty percent of his final compensation. Disability benefits are converted to a normal retirement allowance upon the member's attainment of his earliest normal retirement age based on his final compensation and creditable service.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing or calling the Louisiana Municipal Employees' Retirement System.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)

A. Louisiana Municipal Employees' Retirement System (continued)

Plan members are required by state statute to contribute 9.25% of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The employer rate was 14.25% from January 1, 2011 through June 30, 2011, and 16.75% from July 1, 2011 through December 31, 2011 of annual covered payroll. The employees' contributions are deducted from the employees' salaries and are remitted by the Town on a monthly basis. The Town of Coushatta's contributions to the System for the years ended December 31, 2011, 2010 and 2009, were \$48,574, \$41,707 and \$80,320, respectively, equal to the required contributions for each year.

B. Municipal Police Employees' Retirement System

The Municipal Police Employees Retirement System was established by Act 189 of 1973 to provide retirement benefits to employees of any municipality in the State which employs a full-time police officer, empowered to make arrests, or which has an elected Chief of Police whose salary is at least \$100 per month.

Eligible employees include any full-time police officer, empowered to make arrests, employed by a municipality of the State and engaged in law enforcement, earning at least \$375 per month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$100 per month. City or Ward Marshals, elected Councilmen and Mayors are excluded from membership. Persons who were members on September 7, 1977, must remain members of the System and persons hired on or after that date must become members of the System as a condition of employment if they are under age 50 and are not covered by the Social Security System.

All full-time police officers of the Town of Coushatta, Louisiana, are eligible to participate in this System. Benefit provisions are authorized within Act 189 of 1973 & amended by LRS 11:2211-11:2233.

Employees attaining the age of 50 completing 20 or more years of service, or the age of 55 and completing 12 years of service, are entitled to a yearly benefit of $3\frac{1}{3}\%$ of their average final compensation, as defined in the plan, times years of creditable service. Active employees who become disabled after 1985 due to total and permanent disability, with at least 5 years of creditable service, receive a benefit of 3% of average final compensation multiplied by the years of creditable service, but not less than 40% nor more than 60% of average final compensation. Upon reaching retirement age, disability pensioners receive the greater of disability benefits or accrued benefits earned to date of disability. Prior to the enactment of Act 81 of 1985, other disability rules may be applicable as described in the plan. The system also provides for death benefits as described in the plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing or calling the Louisiana Municipal Police Employees' Retirement System.

Plan members are required by state statute to contribute 7.50% of their annual covered salary from January 1, 2011 through June 30, 2011 and 10.00% from July 1, 2011 through December 31, 2011 and the employer is required to contribute at an actuarially determined rate. The employer rate was 25.00% from January 1, 2011 through June 30, 2011 and 26.50% from July 1, 2011 through December 31, 2011 of annual covered payroll. The employees' contributions are deducted from the employees' salaries and are remitted by the Town on a monthly basis. The Town of Coushatta's contributions to the System for the years ended December 31, 2011, 2010 and 2009, were \$84,979, \$42,329 and \$18,331, respectively, equal to the required contributions for each year.

TOWN OF COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 10 RISK MANAGEMENT

The Town of Coushatta is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

NOTE 11 LITIGATION

The Town of Coushatta is a defendant in one lawsuit as of the close of business on December 31, 2011. Although the outcome of the lawsuit is not presently determinable, in the opinion of management and legal counsel, resolution of would of this matter would not create a liability in excess of insurance coverage, and therefore would not have a material adverse effect on the financial condition of the Town of Coushatta.

NOTE 12 CLAIMS AND JUDGMENTS

The Town of Coushatta participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. The Town believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Town.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF COUSHATTA, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Original Budget	Amended Budget	Actual	Variance Fav./(Unfav.)
Revenues				
Taxes				
Ad valorem	\$ 55,000	\$ 58,000	\$ 69,445	\$ 11,445
Franchise	140,000	140,000	130,671	(9,329)
Other	2,000	2,000	3,279	1,279
State revenue sharing	3,000	3,000	42	(2,958)
Intergovernmental	20,000	29,300	0	(29,300)
License and permits	161,500	160,500	170,177	9,677
Fines and forfeitures	21,000	20,000	4,294	(15,706)
Rents and commissions	321,000	356,000	330,362	(25,638)
Interest	7,000	7,000	4,662	(2,338)
Miscellaneous	8,500	11,000	14,549	3,549
Total Revenues	739,000	786,800	727,481	(59,319)
Expenditures				
General government	799,100	734,160	703,823	30,337
Public safety	475,000	564,000	614,726	(50,726)
Debt service	35,657	35,657	35,657	0
Capital outlay	36,000	35,000	106,876	(71,876)
Total Expenditures	1,345,757	1,368,817	1,461,082	(92,265)
Excess/(Deficiency) Of Revenues Over Expenditures	(606,757)	(582,017)	(733,601)	(151,584)
Other Financing Sources/(Uses)				
Transfers	700,000	695,000	1,082,171	387,171
Total Other Financing Sources/(Uses)	700,000	695,000	1,082,171	387,171
Net Change in Fund Balances	93,243	112,983	348,570	235,587
Fund Balances, Beginning of year	976,599	976,599	976,599	0
Fund Balances, End of year	\$ 1,069,842	\$ 1,089,582	\$ 1,325,169	\$ 235,587

TOWN OF COUSHATTA, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2011

	Original Budget	Amended Budget	Actual	Variance Fav./(Unfav.)
Revenues				
Taxes				
Sales	\$ 795,000	\$ 815,000	\$ 860,269	\$ 45,269
Interest	500	500	620	120
Total Revenues	795,500	815,500	860,889	45,389
Expenditures				
General government	0	0	0	0
Total Expenditures	0	0	0	0
Excess/(Deficiency) Of Revenues Over Expenditures	795,500	815,500	860,889	45,389
Other Financing Sources/(Uses)				
Transfers	(700,000)	(620,500)	(1,094,488)	(473,988)
Total Other Financing Sources/(Uses)	(700,000)	(620,500)	(1,094,488)	(473,988)
Net Change in Fund Balances	95,500	195,000	(233,599)	(428,599)
Fund Balances, Beginning of year	576,216	576,216	576,216	0
Fund Balances, End of year	\$ 671,716	\$ 771,216	\$ 342,617	\$ (428,599)

TOWN OF COUSHATTA, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2011

	Original/Final Budget	Actual	Variance Fav./Unfav.)
Revenues			
Interest	\$ 15,000	\$ 12,834	\$ (2,166)
Miscellaneous	<u>0</u>	<u>16,287</u>	<u>16,287</u>
Total Revenues	15,000	29,121	14,121
Expenditures			
General government	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess/(Deficiency) Of Revenues Over Expenditures	15,000	29,121	14,121
Other Financing Sources/(Uses)			
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	15,000	29,121	14,121
Fund Balances, Beginning of year	<u>576,615</u>	<u>576,615</u>	<u>0</u>
Fund Balances, End of year	<u>\$ 591,615</u>	<u>\$ 605,736</u>	<u>\$ 14,121</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF COUSHATTA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO
MEMBERS OF THE TOWN COUNCIL
YEAR ENDED DECEMBER 31, 2011

<u>Members</u>	<u>Number of Meeting Attended</u>	<u>Compensation</u>
Virginia Calhoun	12	\$ 7,200
John D. Henry	12	7,200
Mallory Parson	11	7,200
Edna Webb	11	7,200
Rosetta Wilson	12	<u>7,200</u>
Total		<u>\$ 36,000</u>

Compensation Paid Board Members

The schedule of compensation paid to the members of the Town Council of the Town of Coushatta, Louisiana is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Councilmen is included in the general government expenditures of the general fund.

TOWN OF COUSHATTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION #1**SUMMARY OF AUDITORS' RESULTS**FINANCIAL STATEMENTS

- | | | |
|----|----------------------------------------------------------------------------------------------|---------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to financial statements noted? | No |

SECTION #2FINANCIAL STATEMENT FINDINGS

- | | |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2011-01 | Actual revenues of the general fund were \$59,319 (7.54%) less than budgeted amounts and actual expenditures of the general fund were \$92,265 (6.74%) more than budgeted amounts in 2011. |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mayor and Town Council
Town of Coushatta
Coushatta, Louisiana 71019

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Coushatta as of and for the year ended December 31, 2011, and have issued our report dated June 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town of Coushatta is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Coushatta's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Coushatta's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Coushatta's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Coushatta's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards. A description of the finding can be found at finding 2011-01 of the accompanying Corrective Action Plan For Current Year Audit Findings, Schedule 7.

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This report is intended solely for the information and use of the Town of Coushatta, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

June 27, 2012

TOWN OF COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
2010-01	2010	The utility clerk did not always obtain management's approval prior to adjusting customers' accounts.	Yes	This finding has been resolved.

TOWN OF COUSHATTA, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contract Person(s)</u>	<u>Anticipated Completion Date</u>
2011-01	Actual revenues of the general fund were \$59,319 (7.54%) less than budgeted amounts and actual expenditures of the general fund were \$92,265 (6.74%) more than budgeted amounts in 2011.	The Town of Coushatta's management will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.	Rose Byrd, Mayor	06/30/2012

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Mayor and Town Council
Town of Coushatta
Coushatta, Louisiana 71019

We are writing this letter as a follow-up to our recent audit of the basic financial statements of the Town of Coushatta, Louisiana as of December 31, 2011, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the Town and are intended to be constructive in nature:

Existing Conditions:

Actual revenues of the general fund were \$59,319 (7.54%) less than budgeted amounts and actual expenditures of the general fund were \$92,265 (6.74%) more than budgeted amounts in 2011.

LSA-R.S. 39:1310 requires the Town of Coushatta to amend its budget whenever actual revenues and expenditures are projected to be less than or exceed budgeted amounts by more than five percent.

Recommended Action:

We suggest the Town of Coushatta's adopted budget be closely monitored and amended whenever there has been a change in operations upon which the original adopted budget was developed. Care should be exercised to maintain actual revenues and expenditures within the five percent limit established by statute.

Management's Response:

The Town of Coushatta's management will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the Town's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

June 27, 2012